

Session 10-06, a Special Meeting of the Lease Committee was called to order by Chair Erickson at 3:03 p.m. on November 30, 2010 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

COMMITTEE MEMBERS: Abboud, Erickson, Hawkins, Mauras, Yager

ABSENT: Zimmerman

STAFF: City Manager Wrede
Administrative Assistant Felde
Deputy City Clerk Jacobsen

APPROVAL OF AGENDA

MAURAS/YAGER MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments.

APPROVAL OF MINUTES

No minutes were scheduled for approval.

VISITORS

There were no visitors scheduled.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

City Manager Wrede briefly reviewed the staff report included in the meeting packet and noted the laydown information regarding economic impact from Snug Harbor. He added that this longer lease puts Snug Harbor in the position to bring their improvements up to code to meet zoning requirements and there has been some discussion about the City trying to get some improvements down there that would make it easier to load and improve safety.

Mrs. Mauras noted a discrepancy in ownership percentages and a business license for Snug Harbor was not included in the packet. She performed a search on the State website and did not find a valid business license listed. These will need to be addressed if we choose to enter into negotiations. City Manager Wrede said they had discussed the ownership issue and they are both 50% owners. It changed when they got married. He said staff will look into the business license issue.

PUBLIC HEARING

There were no public hearings scheduled.

PENDING BUSINESS

There was no pending business scheduled.

NEW BUSINESS

A. Snug Harbor Lease

Mr. Yager noted for the record that he had a business relationship over 20 years ago with Mr. Dale. He is no longer in business with him, has not seen him since, and has no financial gain regarding this lease proposal.

There was no objection expressed to Mr. Yager's participation.

There was discussion of the proposed paving. City Manager Wrede said there isn't a time table for this but hopes to attach to a broader project the City is considering to fix drainage problems on lot 12B. The project could include paving lot 12B and a loading ramp to make it better for all the users loading there. The paving could be tied in to lot 13 and the parking area so everyone in that area would have a better work environment. A commitment hasn't been made to do these improvements, but a packet will be put together for City Council to consider for this capital project. When asked about assessments to lessees, he explained it will be a broader benefit to users and he wasn't considering it as an assessment.

HAWKINS/ABBOUD MOVED THAT AFTER REVIEWING THE PROPOSAL FROM SNUG HARBOR SEAFOOD'S, THE LEASE COMMITTEE RECOMMENDS THAT A FIVE YEAR LEASE WITH TWO ONE YEAR OPTIONS BE APPROVED AND THAT THE CITY MANAGER BE AUTHORIZED TO NEGOTIATE THE RATE WITH A MINIMUM MONTHLY FEE SET AT THE RATE CURRENTLY BEING USED FOR LOT 13B.

Mr. Abboud questioned what the current rate is base on as there is no information in the packet. There was brief discussion that there is not a current appraisal, only what they are paying now.

MAURAS/YAGER MOVED TO AMEND TO HAVE THE RATE BASED ON THE APPRAISED VALUE.

Discussion ensued that the amendment is consistent with the current lease policy and the appraisal probably should have been done before the RFP. The proposal includes the current lease rate and City Manager Wrede commented his intention is to start at the appraisal and fair market rent when negotiating the lease.

VOTE: (Amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Mrs. Mauras reiterated that the applicant needs to have a business license.

VOTE: (Main motion as amended): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

B. Short Term Lease - Bruin Bay- Discussion

City Manager Wrede reported to the Committee that there has been an increasing amount of interest in using the chip pad for people to pull boats and work on them in the winter months. Bruin Bay is the first the City has done this with. An agreement was executed with them and the fees were based on the published tariff. As far as liability coverage to the City they used the lease documents and the terminal use permit guidelines. He said this is something for the Lease Committee to look at on a future agenda and consider amending the lease policy for flexibility of short term leases on the chip pad.

There was discussion that this could be a good opportunity for the City to rent out the space on less formal month to month basis with a set rate.

Chair Erickson asked that short term leases be an agenda item for the next meeting. She also asked for the Committee to discuss ideas for better ways to score existing businesses when they are coming to the Committee for lease renewal.

INFORMATIONAL ITEMS

There were no informational items included.

COMMENTS OF THE AUDIENCE

There were no audience comments.

COMMENTS OF THE STAFF

There were no staff comments.

COMMENTS OF THE COUNCILMEMBER

There were no Councilmember comments.

COMMENTS OF THE CHAIR

Chair Erickson had no additional comments.

COMMENTS OF THE COMMITTEE MEMBERS

There were no additional comments from the Committee members.

ADJOURN

There being no more business to come before the Committee the meeting adjourned at 3:31 p.m. The next regular meeting is scheduled for January 12, 2011 at 5:30 p.m. in the City Hall Cowles Council Chambers.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____